

State Transportation Commission

April 28, 2005



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Michigan Department of Transportation

Overview

- Legislative Hearings on 2005-2009 Five Year Transportation Program
- Reauthorization Update

Legislative Hearings

Legislative Hearings

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|----------------|-----------------------|
| ■ Canton | March 7 th |
| ■ Grand Rapids | March 17 |
| ■ Waterford | March 21 |
| ■ Brighton | March 28 |
| ■ Marysville | April 7 |
| ■ Detroit | April 11 |
| ■ Cadillac | April 14 |

Legislative Hearings

- What affect does it have on municipalities?
- How does it affect growth? (both urban and suburban growth)
- Is it working? Can it be improved?
- How can we better address citizens' quality of life issues?

Legislative Hearings

- Five Year Plan is working
- Appreciation from local governments and MPOs
- Concern over local projects not included in Five Year Program
- Need for increased funding for public transit and rail

Reauthorization Update

TEA-21 Reauthorization Status

- Current extension expires on May 31
- Administration proposal released in February
- House bill passed in March, 417-9 vote
- Senate committees completed work last week
- Senate floor debate expected to be completed in early May

Reauthorization Priorities Remain Unchanged

- Adequate \$, increased rate of return, no reduction in scope
- \$ for Michigan's busy border crossings
- More capital \$ for bus transit
- Flexibility to use \$ to address priorities as identified by states

Reauthorization Scorecard

Issues	House	Senate
Total Funding	\$284 B	\$284 B
Avg. annual increase over TEA 21 to MI	\$185 M	\$229 M
Rate of Return	90.5%	92%
Borders	\$29 M annually to MI	\$35 M annually to MI
Transit	\$52 B	\$51.7 B
Funding Flexibility	Reduced	Little Change

Administration's Proposal (no legislative vehicle)

- Threatened veto if spending over \$284 B
- Would retain budgetary firewalls for transportation funds
- Would eliminate RABA, which adjusts spending to match revenues

House Proposal (TEA LU – HR 3)

- Minimum guarantee, scope of funds covered the same as TEA 21
- Borders program would provide \$149 m to Michigan border crossings
- Creates set-aside for congestion relief
 - about \$30M per year for Michigan
- Create six formula based programs with aggregate funding of \$7B

Senate Proposal (SAFETEA – S. 732)

- Increases Minimum Guarantee to 92% by 2009
- Borders program would provide \$175 m to Michigan border crossings
- Creates four new formula programs with aggregate funding of \$7B
- Funding level likely to be increased during floor debate

What to Expect

- Senate bill passage in May
 - Amendment to increase funding is likely
- Conference committee action begins in May to address differences
 - Funding level
 - Minimum guarantee and scope
 - New programs
- Continued uncertainty over whether another extension will be needed